

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003

A Bill

SENATE BILL 125

4
5 By: Senator Baker
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For An Act To Be Entitled

9 AN ACT TO AUTHORIZE A FIREMEN'S PENSION AND
10 RELIEF FUND TO GIVE PARTICIPANTS IN THE DEFERRED
11 RETIREMENT OPTION PLAN THE CHOICE TO EXTEND
12 CONTINUED EMPLOYMENT FOR UP TO TEN (10) YEARS;
13 AND FOR OTHER PURPOSES.
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Subtitle

15 TO ALLOW A FIREMEN'S PENSION AND RELIEF
16 FUND TO GIVE PARTICIPANTS IN THE DROP
17 PLAN THE CHOICE TO EXTEND EMPLOYMENT FOR
18 UP TO TEN (10) YEARS.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 24-11-830(c), concerning the deferred
25 retirement option plans for firemen's pension and relief funds, is amended to
26 read as follows:

27 (c)(1) The Except under subdivision (c)(3) of this section, the
28 duration of participation in the plan for active full-paid fire fighters
29 shall not exceed five (5) years.

30 (2) At the conclusion of a member's participation in the plan,
31 the member shall terminate employment with all participating municipalities
32 as a fire fighter and shall start receiving the member's accrued monthly
33 retirement benefit from the firemen's pension and relief fund.

34 (3) The five-year limit on participation in the deferred
35 retirement option plan may be extended if:

36 (A) The extension does not cause the limit to exceed ten



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1 (10) years;

2 (B) The extension applies to all full-paid active members
3 and all members on the deferred retirement option plan;

4 (C) The extension is approved by a majority of the board
5 of trustees of the pension and relief fund, or of the Arkansas Local Police
6 and Fire Retirement System for funds whose administrative responsibility has
7 been assigned to the Arkansas Local Police and Fire Retirement System as
8 provided in § 24-11-804(b);

9 (D)(i) The interest credited after the first five (5)
10 years on the deferred retirement option plan is two (2) percentage points
11 less than the rate of return of the investment portfolio of the fund, and
12 shall not be determined under (e)(2) of this section.

13 (ii) The interest rate credited shall not be less
14 than zero percent (0%); and

15 (E) The extension is approved by a majority vote of the
16 governing body of the sponsoring municipality.

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18 SECTION 2. Arkansas Code § 24-11-830, concerning the deferred
19 retirement option plans for firemen's pension and relief funds, is amended to
20 add an additional subsection to read as follows:

21 (h)(1) Participants in the plan who are subject to the extended ten-
22 year service limit shall forfeit a portion of the extended service benefits
23 earned under the plan beyond the first five (5) years of participation should
24 the participant terminate employment during the extended service time, absent
25 death or disability;

26 (2) The portion forfeited is limited to only the interest and
27 employer contributions' portions which have been credited to the plan
28 account;

29 (3) The percentage forfeited shall be as follows:

30 (A) Eighty percent (80%) if termination occurs in the
31 sixth year of participation;

32 (B) Sixty percent (60%) if termination occurs in the
33 seventh year of participation;

34 (C) Forty percent (40%) if termination occurs in the
35 eighth year of participation; and

36 (D) Twenty percent (20%) if termination occurs in the

1 ninth year of participation.
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